AFFORDABLE CARE ACT
MASSACHUSETTS IMPLEMENTATION UPDATE

May 16, 2012

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Grants and Demonstrations

The ACA provides funding opportunities to transform how health care is delivered, expand access to care and support healthcare workforce training.

Grant Announcements

Graduate Nurse Education (GNE) Demonstration, §5509. Originally announced March 21, 2012. CMS will reimburse up to five eligible hospitals for the cost of providing clinical training to advanced practice registered nurses (APRN) students added as a result of the demonstration. The training will provide APRNs with the clinical skills to provide primary care, preventive care, transitional care, chronic care management, and other services appropriate for Medicare beneficiaries. Hospitals participating in the demonstration must partner with accredited schools of nursing and non-hospital community-based care settings. Certain hospitals, including Critical Access Hospitals that meet certain criteria as specified in the Solicitation, are eligible to apply. $200M in 5 four-year grants is available. Payments to the participating hospitals will be linked directly to the number of additional APRNs that the hospitals and their partnering entities are able to train as a result of their participation in the demonstration.

5/11/12 CMS announced that the deadline has been extended and applications for the GNE demonstration are now due May 25, 2012 (not May 21, 2012 as originally posted).

For more information, or to view the solicitation, visit:
http://innovations.cms.gov/initiatives/GNE/index.html
View the original announcement at: CMS

Guidance

5/11/12 Department of Labor posted a 9th set of FAQ's regarding implementation of the summary of benefits and coverage (SBC) provisions of the ACA. The FAQ's have been prepared jointly by the Departments of Labor, Health and Human Services (HHS), and the Treasury (the Departments). Like previously issued FAQ's (available at http://cciio.cms.gov/resources/factsheets/), these FAQ's answer questions from stakeholders to help people understand the new law and benefit from it, as intended. The final SBC rule implements the disclosure requirements, as added by §10101(b) of the ACA, which require plans to provide concise and comprehensible coverage information to the millions of Americans with private health coverage so that they can more easily directly compare one plan to another.

The SBC FAQ's can be found at:
http://www.dol.gov/ebsa/pdf/faq-aca9.pdf

The Departments also posted **updated versions of the SBC template, the sample completed SBC, and the guide for coverage examples calculations - diabetes scenario**. Although the updated versions correct mathematical, technical, and accessibility errors, plans and issuers may use either version, or may make similar modifications to their own SBCs, without violating the appearance requirements for an SBC.

The three documents replace the prior versions issued contemporaneously with the final regulations in February 2012:
Corrected Summary of Benefits and Coverage (SBC) Template
Corrected Sample Completed SBC
HHS Guidance on Inputs for Coverage Example Calculator

Read the final SBC rule at: http://www.gpo.gov/fdsys/pkg/FR-2012-02-14/pdf/2012-3228

5/11/12 CMS/HHS published a final rule "Medical Loss Ratio Requirements under the Patient Protection and Affordable Care Act." The final rule amends the regulations implementing medical loss ratio (MLR) standards for health insurance issuers under §10101 of the ACA in order to establish notice requirements for issuers in the group and individual markets that meet or exceed the applicable MLR standard in the 2011 MLR reporting year. In addition to requiring insurers who do not meet the MLR standard to send notices and rebates to consumers, the final rule requires insurers to furnish notices to consumers even when they meet MLR requirements.

CMS/CCIIO issued an interim final regulation on December 7, 2011 regarding the ACA's MLR rules, which establish the minimum dollar percentage that health insurance companies must spend of consumers' health insurance premiums on medical care, not on income, overhead or marketing. Starting with the 2011 reporting year, the ACA requires insurance companies in the individual and small group markets to spend at least 80% of collected premium dollars on medical care and quality improvement activities; insurance companies in the large group market are required to spend at least 85%. Insurance companies must report their MLR data to HHS on an annual basis so that residents of every state will have information on the value of the health plans offered by insurance companies in their state. Insurance companies that do not meet the MLR standard are required to provide rebates to their consumers. Rebates must be paid by August 1st each year and insurers will make the first round of rebates to consumers in 2012.
Under the final rule, plans must send their customers a notice about the plan's MLR even if

they meet the requirements and don't have to offer rebates. The one-time notice of MLR information only applies for the 2011 MLR reporting year. The notice will state what the insurer's MLR means and how the insurer's MLR has improved under the ACA and must be provided to both policyholders and subscribers in the small group market and subscribers in the individual market. In addition, data on special types of plans, including mini-med plans, will be publicly posted on the federal healthcare.gov web site in 2012. The final rule gradually tightens those standards and by 2014, mini-med plans will be banned by the prohibition on annual limits in the ACA. The final rule also makes any rebates tax-free. HHS says that the MLR information-only notices could help to reduce consumers' confusion about why they didn't get a rebate, in addition to providing greater transparency.

Secretary Sebelius, writing in a recent blog post on healthcare.gov, cites an April report from the Kaiser Family Foundation, which estimates that insurance companies will provide 15.8 million Americans with $1.3 billion in rebates. According to the Secretary, although early reports suggest that insurers may be reducing premiums prospectively to avoid paying rebates, resulting in savings for health insurance consumers, the overall effect of the MLR rule is a victory for consumers who have gained increased value for their health care dollars as a result of the ACA.

Read the interim final rule regarding Medical Loss Ratio Requirements Under the Patient Protection and Affordable Care Act at: http://www.gpo.gov/fdsys/pkg/FR-2011-12-07/pdf/2011-31289.pdf
Read the final rule (published on 5/16/12) at:
http://www.gpo.gov/fdsys/pkg/FR-2012-05-16/pdf/2012-11753.pdf
Read the correcting amendment (also published on 5/16/12) at:
http://www.gpo.gov/fdsys/pkg/FR-2012-05-16/pdf/2012-11773.pdf
See a sample of the health plan rebate disclosure letter at:
http://cciio.cms.gov/resources/files/mlr-notice-1-to-subscribers-in-individual-market.pdf
Read Secretary Sebelius' blog on the final rule at:
http://www.healthcare.gov/blog/2012/05/medicallossratio051112.html
Read the Kaiser MLR report at:
http://www.kff.org/healthreform/upload/8305.pdf

Prior guidance can be viewed at www.healthcare.gov

News

3/22/12- 5/10/12 CMS hosted a series of webinars to explain key components of the final "Medicaid Program; Eligibility Changes under the Affordable Care Act of 2010" rule. The final rule implements several provisions of the Affordable Care Act including §2001, §2002, §2202, §1413, and §1414 related to Medicaid eligibility, enrollment and coordination with the Health Insurance Exchanges, the Children's Health Insurance Program (CHIP), and other insurance affordability programs. It also simplifies the current eligibility rules and systems in the Medicaid and CHIP programs. The final rule: (1) reflects the statutory minimum Medicaid income eligibility level of 133% FPL across the country for most non-disabled adults under age 65; (2) eliminates obsolete eligibility categories and collapses other categories into four primary groups: children, pregnant women, parents, and a new adult group; (3) modernizes eligibility verification rules to rely primarily on electronic data sources; (4) codifies the streamlining of income-based rules and systems for processing Medicaid and CHIP applications and renewals for most individuals; and (5) ensures coordination across Medicaid, CHIP, and the Exchanges.

Webinar topics included: An Overview of the Final Rule; MAGI methods and Household

Scenarios; Coordination across Medicaid, CHIP, and Affordable Insurance Exchanges; Application, Verification and Renewals; Seniors and Individuals with Disabilities in the New World of MAGI; and Eligibility and Enrollment Wrap-up.

View the webinar materials, including the presentation slides, audio and transcripts from each webinar event, at: http://www.medicaid.gov/State-Resource-Center/Eligibility-Enrollment-Final-Rule/Eligibility-and-Enrollment-Final-Rule-Webinars.html

Read the final rule (published on March 23, 2012) at: http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-6560.pdf

EOHHS News

5/3/12 EOHHS held a Briefing on the Basic Health Plan Option. The briefing described the Basic Health Plan option as authorized by §1331 of the ACA and includes the recommendation that Massachusetts take advantage of this option for coverage for individuals between 134% and 200% (and Aliens with Special Status between 0% and 200%) of the Federal Poverty Level. The briefing included an overview of the ACA, state ACA achievements to-date, a discussion of why some legislative changes in response to the ACA are necessary and a robust question and answer session.

View the Presentation on the Basic Health Plan Option at:http://www.mass.gov/eohhs/docs/eohhs/healthcare-reform/prev-meetings/120503-briefing-basic-health-plan-option.ppt

All presentations from past Quarterly Stakeholder Meetings are available at: Presentations under Materials from Previous Quarterly Stakeholder Meetings.

Upcoming Events

Money Follows the Person Stakeholder Meeting
May 18, 2012, 2:30 PM - 4:00 PM
Worcester Senior Center
128 Providence Street
Worcester, MA 01545
*Please note the change in location

The meeting will include updates on MFP and a presentation and opportunity for input on Quality and Consumer Control with the MFP Project. Free parking is available at the Worcester Senior Center parking lot located behind the Center and is accessible from Spurr Street. Handicapped parking is available in this lot as well as along the front entrance driveway off of Providence Street.

An **MFP 101 introductory session** will also be at the Worcester Senior Center and will begin at 2 p.m. on May 18, 2012.

Insurance Market Reform Work Group Open Stakeholder Meetings
The Insurance Market Reform Work Group, co-chaired by the Health Connector and the Division of Insurance, is hosting a series of open meetings to solicit feedback on a range of topics under its purview. The meeting schedule and proposed topics are highlighted below. If any interested persons are unable to attend the meetings in person, they can participate in the

session by calling the number below. We highly encourage people to attend in person as the acoustics in the Hearing Room can be difficult.
Dialing Instructions:
Dial 1-877-820-7831
Pass Code 9630386# (please make sure to press # after the number).

Other issues (TBD)
May 25, 2012
10:00 - 11:30 a.m.
1000 Washington Street, Boston
Hearing Room E, DOI Offices

Bookmark the **Massachusetts National Health Care Reform website** at: http://mass.gov/national health reform to read updates on ACA implementation in Massachusetts.

Remember to check http://mass.gov/masshealth/duals for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.